

child tax credits. I believe we must also fulfill the moral obligation we have to our children to reduce our \$5.7 trillion national debt and a responsibility to protect Social Security and Medicare for our seniors. The question is not whether Congress will pass a tax cut this year—we will. The question is how large is the tax cut and will it be fiscally responsible and fair to all families, including middle and low-income working families?

These are difficult questions that must be answered satisfactorily before tax cuts are approved. Perhaps if these questions were asked and answered back in the 1980s, our country could have avoided the huge budget deficits that contributed to the \$5.7 trillion national debt.

In 1981, President Reagan and Republicans and Democrats in Congress passed a huge tax cut into law. They predicted the then \$55 billion a year deficits would become a surplus in 1984, 3 years later. What actually happened is that instead of having a surplus in 1984, the federal deficit exploded to \$185 billion.

As a consequence of that tax cut, the national debt tripled in the 1980s—and now stands at \$5.7 trillion. Last year Americans paid \$223 billion in taxes, just to pay the interest on the national debt. On average, that would approximately be \$800 in taxes for every man, woman and child in America.

Marvin Leath, my predecessor, said that the 1981 tax vote was his "worst vote" in 12 years of Congress. In 1990, President George Bush chose to reverse his previous pledge to oppose new taxes. Why? By 1990, the federal deficit had skyrocketed to \$220 billion each year, with no end in sight.

President Bush, Republicans, and Democrats passed a tax increase in 1990 and it cost President Bush dearly, but not as much as the budget deficit would cost average Americans. By 1993, projections were that deficits would further explode to over \$300 billion each year. Another tax increase in 1993 plus tough budget rules resulted in deficit reductions that lowered interest rates.

Those lower interest rates made it cheaper to buy a house or car or build a business. That, plus the new high tech economy that increased productivity of American workers, resulted in the longest sustained economic growth period in American history.

And, after 29 straight years of deficits, in 1997, we had the first balanced budget since Neil Armstrong set foot on the moon in 1969. So, we spent the 1990s stopping the deficit binge of the 1980s, but where does that leave us now?

The Congressional Budget Office and other government economists predict we will have a \$5.6 trillion federal surplus over the next 10 years. (FY 02–FY 11). The promise of surplus has led President George W. Bush to propose a 10-year, \$2.4 trillion tax cut. But do we really have the money needed to provide this tax cut, pay down the debt and protect Social Security and Medicare? Before we take the step of spending a surplus we may not have, let me ask you two questions. One, is there anyone in this chamber that would bet his or her family's entire net worth on the belief that a federal government economist's 10-year projections on the American economy will be 100 percent correct? Two, just how real is the \$5.6 trillion surplus projected by 2011?

The projected surplus is \$2.2 billion once you subtract the \$3.4 trillion held in the Social

Security, Medicare, and other trust funds that Congress has pledged not to touch. The proposed tax plan costs \$2.4 trillion once you add the additional interest costs, tax break extensions, and the retroactive tax cuts. Over 10 years the country will be looking at a \$200 billion budget deficit and that's before other priorities are paid for. The tax cut plan assumes an overly optimistic 3 percent annual economic growth rate over the next 10 years. If the growth rate is off by just 4/10 of 1 percent, then the surplus will be reduced by \$1 trillion over 10 years. From 1974 to 1995 the economy grew an average of only 1.5 percent annually—half the rate assumed in the tax cut plan.

What if we proceed and cut taxes at this level and the economists are wrong? First, we'll see a return to budget deficits and interest rates will go up making it more expensive for families to make large purchases such as buying a home or starting a business. A larger national debt means more taxes to pay interest on the debt and less money to provide for priorities such as national defense and veterans, education, prescription drugs and protection Social Security and Medicare. Finally, the true cost of these tax cuts hits just as baby boomers are retiring and the Social Security and Medicare trust funds are running at a deficit.

We have more options than the House leadership would have us believe. The first option is the one we are looking at now: passing a \$2.4 trillion, 10-year tax cut and hoping the rosy economic forecasts are correct and that spending cuts can be made.

The second option is to pass a smaller tax cut now, make spending cuts and then see if the surplus is real. Once the surplus is guaranteed, then it will be time to pass more tax cuts.

I will be guided by several principles on the tax cut question. I will do what I believe is right, not just politically popular at the moment. I will listen to the citizens of Central Texas before making a final decision. I will try to look at the numbers honestly—without the hype and false promises.

I will support fiscally responsible tax cuts this year, but we also have a moral obligation to our children to reduce our \$5.7 trillion national debt and a responsibility to protect Social Security and Medicare for our seniors.

#### FEDERAL SUPPORT FOR FAITH BASED ORGANIZATIONS

**HON. ZOE LOFGREN**

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 15, 2001

Ms. LOFGREN. Mr. Speaker, I rise today to commend to my colleagues the following articles by Joan Ryan of the San Francisco Chronicle and Patty Fisher of the San Jose Mercury News. I found these articles to be thoughtful examinations of the complex question of federal support for faith-based groups.

[From the San Francisco Chronicle]

WITH A HAND ON THE BIBLE

(By Joan Ryan)

Even as a Christian I felt uneasy when George W. Bush said during his campaign that Jesus was the most influential philosopher on his political beliefs.

The feeling returned during Bush's inauguration when he again wandered, either carelessly or purposefully, into the dangerous ground between church and state.

Inaugurations traditionally mention God in the context of a higher power recognized by most of the world's religions. But Bush's hand-picked pastors mentioned Jesus in both the invocation and prayer. One pastor punctuated the point with the unequivocal proclamation, "Jesus the Christ (is) the name that's above all other names."

Now comes news that Bush wants to disburse billions in public funds to religious groups that provide social services. The groups would compete for the money, and Bush's new "Office of Faith-Based and Community-Based Initiatives" would choose the recipients. All religions would be eligible, Bush said.

Everyone who believes that certain religious groups will be getting significantly more of this money than others, say, "Amen."

Bush has already shown that he won't fund groups that don't adhere to his particular set of moral beliefs. In his first full workday as president, he announced he was yanking funds to overseas organizations that use their own money to provide abortions or abortion counseling. These organizations were not breaking the laws of their countries or of ours. Bush's decision was based solely on his own particular brand of morality.

And Bush's call for a review of the FDA's approval of the abortion pill, RU-486, was not based on science or health but, again, his own brand of morality.

This is the problem with blurring the line between church and state, as Bush is doing. We begin to create a de facto national religion based on the values of those in power. These values might be perfectly respectable ones. They might even have the power to transform lives, as Bush's religious program in a Texas prison has. (Compared to non-participating inmates, inmates in the two-year indoctrination in biblical teachings and Christian behavior have shown a drastically lower recidivism rate once released from prison.)

It's difficult to argue that the world wouldn't be a better place if everyone adhered to so-called Christian values.

But who should interpret how those values will be applied to public policy? Ralph Reed? Jesse Jackson? The pope? All adhere to the same Bible, but each man's vision of government based on the book's teachings would be vastly different—and would feel like a tyranny to those who disagreed.

The infusion of religion into government is at the very heart of the revolution that created America. The colonists rebelled not only against the Church of England but also against the Puritanism and Calvinism that forced the citizenry to conform to particular religious views of face the government's wrath.

What Bush risks doing is establishing the legitimacy of one religion over all others, and this is just what our founding fathers didn't want. Yet there hasn't been much of an outcry. Perhaps people figure it's better to have a president who thinks he's the national deacon than one who thought he was the national Don Juan.

All would agree that the president should be guided by high morals. And one would hope that, if he is deeply religious, he could harness the power of his faith for the public good. But when Bush laid his hand on the Bible two Sundays ago, he didn't promise to uphold the teachings of Jesus.

He promised to uphold the Constitution of the United States.